

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

Q&R ASSOCIATES, INC.,)	Case No. C-1-01-641
)	
Plaintiff,)	(Judge Watson)
)	
-v-)	<u>JOINT STATUS REPORT</u>
)	
UNIFI TECHNICAL FABRICS, LLC, <i>et al.</i>,)	
)	
Defendants.)	
)	
)	

Pursuant to the Court's Order dated November 5, 2004, the Plaintiff Q&R Associates, Inc. and Defendants Unifi Technical Fabrics, LLC and W. Michael Mebane hereby submit this Joint Status Report:

1. Nature of Case and Brief Description of Claims.

This diversity action involves a business dispute between Plaintiff Q&R Associates ("Q&R") and Defendant Unifi Technical Fabrics ("UTF"). Q&R is an Ohio sales company that sells "nonwoven" fabrics to manufacturers of diapers, medical supplies and personal hygiene products. UTF is an inactive North Carolina limited liability company that used to manufacture nonwoven fabrics. Q&R contends that Defendant UTF breached a contract with Q&R for Q&R to be its sales agent for nonwovens. Q&R also contends that UTF, through the actions of Defendant Michael Mebane, its President, fraudulently induced Q&R to sever a long-term business relationship with a foreign supplier of nonwoven fabrics and to begin selling UTF's nonwoven products instead. Q&R claims that UTF and Mr. Mebane concealed and/or failed to disclose the fact that UTF was negotiating to sell substantially all of its business assets to the

same foreign supplier with whom Q&R had an existing relationship. UTF and Mebane deny that there was a contract between UTF and Q&R and deny all alleged wrongdoing.

UTF and Mr. Mebane contend that the parties did not form a contract because they did not agree on all essential terms. In particular, they did not agree on a term to “protect” Q&R if UTF sold its assets. Defendants contend that Q&R severed its relationship with its foreign supplier with actual knowledge of the negotiations and that it did not have any assurance from UTF that UTF would not sell its assets. The Defendants deny all the alleged wrongdoing.

Q&R’s legal claims include fraud, breach of contract, promissory estoppel, negligent misrepresentation and tortious interference with a business relationship. UTF and Mr. Mebane have denied liability under these theories and have asserted several affirmative defenses.

2. Efforts to Settle

The parties have engaged in informal settlement discussions periodically throughout this case, without success.

3. Scheduled Dates

a. Discovery Cut-Off. Discovery is complete in this case. The cut-off was March 1, 2004.

b. Dispositive Motion Deadline. Defendants filed a Motion for summary judgment on March 31, 2004 (doc. 26). Plaintiff filed a Memorandum in opposition (doc. 28), and Defendants filed a Reply (doc. 30). Plaintiff filed a Motion for partial summary judgment on April 1, 2004 (doc. 27). Defendants filed a Memorandum in opposition (doc. 29), and Plaintiff filed a Reply (31). Both Motions are fully briefed and ripe for decision.

c. Settlement Conference. No Settlement Conference has been scheduled in this matter.

d. Final Pretrial. Final pretrial was scheduled for September 13, 2004, but was later vacated when Judge Beckwith recused herself from this matter. Final pretrial has not been rescheduled.

e. Trial. This matter was scheduled for trial on September 27, 2004. The trial date was also vacated and has not been rescheduled.

4. Other Matters. Defendants filed a *Daubert* motion seeking to partially exclude testimony of the Plaintiffs' expert witness on damages (doc. 32). Plaintiff filed a Memorandum in opposition (doc. 34). That Motion is fully briefed and ripe for decision.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Joint Status Report was filed electronically through the Court's ECF system on November __, 2004, which will electronically serve all counsel of record in this action.

s/Dwight A. Packard, II
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